

# WORKFORCE OBSERVATIONS

## FOR MILWAUKEE COUNTY/WOW COUNTIES

### JANUARY 2002



#### Closing the Books on 2001

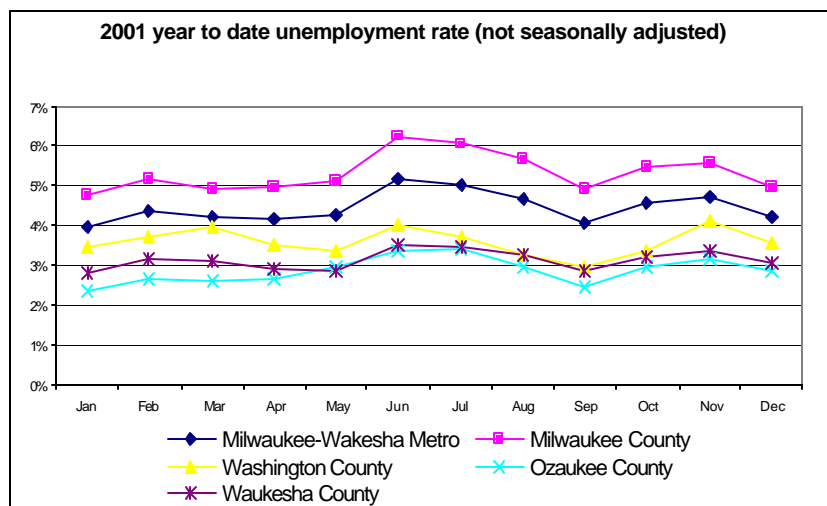
For the final month of 2001, the Milwaukee-Waukesha Metropolitan Statistical Area (MSA) experienced a seasonally adjusted unemployment rate of 4.2% in December. This rate matches the Wisconsin state rate for the same period and represents a 0.5% decrease from a month earlier. The decline in unemployment was driven by a 4,100 person decrease in the number of workers on the unemployment rolls and an accompanying 2,000 increase in employed laborers. This sharp decrease may be cause for optimism as the economy moves forward from a year marked by the effects of the first recession in nearly a decade, and the atrocities and uncertainties associated with the terrorist attacks of September 11th. Bowing to recessionary pressures, the metropolitan unemployment rate stands 1.3% higher than the same period a year ago.

The **Milwaukee County** not seasonally adjusted unemployment rate stood at 5.0 percent in December. The county reported unemployment was 0.6% lower than a month earlier, but continues to outpace the same measure of a year earlier, registering a 1.5% increase over December, 2000. This one year increase for the county is higher than both the state and metropolitan area (1.2% and 1.3% respectively), and is greater than the increase experienced in any of the other three metro counties. Despite this increase, there remains cause for cautious optimism, as the annual change showed a 0.2% decrease in December as compared to the same measure last month. In addition, the county's rate ranked 35th in the state, a significant drop from its consistent Top 15 ranking. The decrease in unemployment over the course of the month can be attributed to two factors -- the continued increases in the employed labor force (1,140) and an accompanying decrease in the number of unemployed workers (2,930). These two factors yielded an aggregate decrease of 1,800 in the county labor force. These shifts draw to a close a year that saw the number of employed workers in the county drop by nearly 8,300 and the number of unemployed swell by 7,200. These two factors suggest both that the regional economy has ceased to reap the benefits of the recent expansion, to some degree, and that the effects of the current economic recession may have impacted the region before the March benchmark released by the Na-

tional Bureau of Economic Research.

Continuing a trend experienced throughout the past year, manufacturing employment in Milwaukee County declined by approximately 200 positions. This matches the decline reported in November. However, recent announcements suggest that this figure may be significantly higher in January as manufacturers continue to feel the pressures of soft ordering. In a slight rebound from the months immediately following September 11th, the Transportation, Communication, and Public Utilities sector reported increased employment for the first time in three months. Similarly, retail firms and service-related firms reported significant increases due to holiday season sales and year-end activities. The government sector also experienced a significant employment gain in December, concentrated primarily in health care. It is my expectation that the current pension situation related to Milwaukee County employees will have a negligible impact on employment in this sector over the coming month.

The WOW counties' of Waukesha, Ozaukee, and Washington not seasonally adjusted unemployment rates all experienced significant decreases over the past month. **Washington County's** rate of 3.6 percent is one-half of a percent lower than November. **Ozaukee County** reported a December unemployment rate of 2.9%, three-tenths of a point lower than November. Despite recent fluctuations in the county's unemployment rate, Ozaukee County registered the second lowest rate in the state, behind Dane County's 2.0%. Additionally, Washington and Waukesha Counties ranked in the 12 lowest counties in terms of unemployment. **Waukesha County**, at 3.0 percent is also four-tenths of



one percent lower than the same period one month ago. Each of these rates is higher than rates for the respective counties from this time a year ago. Each county experienced an annual increase of between 1.1 and 1.2% over the course of 2001, once again indicating the extent of the current recession. Taking into account historical rates for the same period, the 3.0% rate in Waukesha County is the highest unemployment rate for the county in eight years. The December unemployment rates for Ozaukee and Washington Counties are at the highest level in a decade.

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An analysis of industry employment in the WOW WDA shows an aggregate loss of 390 employees over the past month, with the number of person's unemployed (1,200) accompanying a significant, but lesser increase in the number of employed (810), resulting in an increase in the WDA unemployment rate to 3.1% for the month.

Job loss in the WOW WDA over the past month has been concentrated in two key areas: construction and mining (-590) and manufacturing (-150). Decrease in employment in these sectors are primarily a result of soft ordering in the durable goods sector and slow new housing starts. It is also important to note that, as is the case in Milwaukee County, retail, service, and government employment showed signs of renewed strength, fueled primarily by the holiday season and year-end. Manufac-

turing employment continues to show signs of decline over the past year (-3,820 positions), led once again by Waukesha County (-2,490). Wholesale trade (-1,400), retail trade (-690), and construction and mining firms (-560) have all experienced significant decreases in employment in the area over the past year.

With the upcoming Build Wisconsin regional planning session and national talk of the need for a concentrated economic stimulus package, the focus on the economy has been towards the short run. Given the recent trends of diversification in the economy through the declining importance of manufacturing and increased focus on service industries, the future implications of this diversification, as well as the emergence of new industries and a pending labor shortage should weigh heavily on the minds of all involved in shaping and driving the regional economy as we move forward into the coming year.

	Wisconsin	Milwaukee-Waukesha MSA	Milwaukee County/WDA	Washington County	Ozaukee County	Waukesha County	W-O-W WDA
<b>December 2001</b>							
<b>Civilian Labor Force*</b>	3,035,224	819,860	483,755	69,251	49,390	217,465	336,106
Persons Employed	2,908,678	785,302	459,708	66,786	47,972	210,836	325,594
Persons Unemployed	126,546	34,558	24,047	2,465	1,418	6,629	10,512
Unemployment Rate	4.2%	4.2%	5.0%	3.6%	2.9%	3.0%	3.1%
<b>Total jobs of all non-farm industries**</b>	2,851,590	869,761	559,777	47,428	39,450	223,085	309,964
<b>Goods Producing Jobs</b>	701,460	196,741	99,500	17,687	13,375	66,158	97,220
<b>Service Producing Jobs</b>	2,150,130	673,020	460,277	29,741	26,075	156,927	212,743
Construction & Mining	124,614	33,426	13,778	2,598	1,530	15,520	19,648
All Manufacturing	576,846	163,315	85,723	15,089	11,845	50,638	77,572
Transportation, Communications & Public Utilities	136,907	39,055	28,569	1,768	829	7,889	10,486
Wholesale Trade	136,970	48,251	24,831	2,383	1,585	19,451	23,420
Retail Trade	515,338	136,730	84,887	8,510	7,204	36,129	51,843
Finance, Insurance, and Real Estate	153,316	58,942	42,802	2,005	1,975	12,160	16,140
Services	788,128	291,598	209,921	9,279	10,302	62,096	81,677
All Government	419,471	98,444	69,266	5,796	4,180	19,202	29,178
<b>Change from November 2001</b>							
<b>Civilian Labor Force*</b>	-14,580	-2,180	-1,790	-220	-30	-140	-390
Persons Employed	-10,800	1,950	1,140	170	120	520	810
Persons Unemployed	-3,780	-4,130	-2,930	-390	-140	-660	-1,200
Unemployment Rate	-0.1%	-0.5%	-0.6%	-0.5%	-0.3%	-0.3%	-0.4%
<b>Total jobs of all non-farm industries**</b>	-2,860	3,290	2,520	120	130	500	750
<b>Goods Producing Jobs</b>	-8,840	-1,320	-600	-110	-70	-570	-740
<b>Service Producing Jobs</b>	5,980	4,610	3,120	230	200	1,060	1,490
Construction & Mining	-6,430	-1,000	-410	-80	-50	-470	-590
All Manufacturing	-2,410	-320	-190	-30	-20	-100	-150
Transportation, Communications & Public Utilities	870	440	320	20	10	90	120
Wholesale Trade	-350	-50	-20	0	0	-20	-20
Retail Trade	3,300	2,060	1,280	130	110	550	780
Finance, Insurance, and Real Estate	650	-90	-60	0	0	-20	-20
Services	4,300	1,680	1,210	50	60	360	470
All Government	-2,790	560	390	30	20	110	170
<b>Change from December 2000</b>							
<b>Civilian Labor Force*</b>	27,100	-3,110	-1,090	-380	-310	-1,330	-2,010
Persons Employed	-10,280	-14,110	-8,260	-1,200	-860	-3,790	-5,850
Persons Unemployed	37,380	11,010	7,170	820	550	2,460	3,840
Unemployment Rate	1.2%	1.3%	1.5%	1.2%	1.2%	1.1%	1.1%
<b>Total jobs of all non-farm industries**</b>	-11,490	-9,690	-4,450	-850	-630	-3,790	-5,260
<b>Goods Producing Jobs</b>	-36,180	-8,990	-4,630	-820	-630	-2,930	-4,380
<b>Service Producing Jobs</b>	24,690	-700	190	-30	0	-850	-890
Construction & Mining	-1,220	-950	-390	-70	-40	-440	-560
All Manufacturing	-34,970	-8,040	-4,240	-740	-580	-2,490	-3,820
Transportation, Communications & Public Utilities	-360	-1,140	-830	-50	-20	-230	-310
Wholesale Trade	-2,740	-2,890	-1,490	-140	-90	-1,160	-1,400
Retail Trade	1,190	-1,810	-1,120	-110	-100	-480	-690
Finance, Insurance, and Real Estate	2,900	-200	-140	-10	-10	-40	-50
Services	13,790	1,150	830	40	40	240	320
All Government	9,910	4,190	2,950	250	180	820	1,240

\* Labor force figures are **not** seasonally adjusted and are commonly revised. Figures from "place of residence" survey from the Bureau of Labor Statistics' Local Area Unemployment Statistics program.

\*\*Figures based upon "place of employment" survey from the BLS, Non-Farm Wage and Salary estimates  
Figures are rounded and may not sum to totals

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